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Summary record of the 3rd meeting
Held at Headquarters, New York, on Tuesday, 30 September 1997, at 3 p.m.

Chairman: Mr. Chowdhury ..... (Bangladesh)
later: Ms. Daes (Vice-Chairman) ..... (Greece)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 3.05 p.m.

Organization of work (A/C.5/52/L.1 and L.2)

1. **The Chairman** drew attention to the programme of work as contained in document A/C.5/52/L.2, which had been drawn up on the basis of the informal paper submitted to the Committee at its second meeting on 19 September 1997, and which took into account the comments made during the course of that meeting. He also drew attention to document A/C.5/52/L.1 indicating the status of documentation before the Committee.

2. In relation to the question raised at the meeting on 19 September 1997 regarding the preparation of the four reports of the Board of Auditors listed under item 113, entitled "Financial reports and audited financial statements, and reports of the Board of Auditors", which were due to be submitted in January 1998, namely the reports on the management review of all aspects of work done by the secretariat of the International Civil Service Commission, on the updated special audit of the Integrated Management Information System, on the proposals for improving the implementation of the recommendations of the Board and possible changes in reporting on the progress of such implementation, and on the United Nations peacekeeping operations, he drew attention to the response from the Executive Secretary of the United Nations Board of Auditors in her memorandum dated 25 September 1997, which had been circulated to all Member States, regarding the reasons why those four reports would not be issued in time for consideration by the Committee during the main part of the fifty-second session of the General Assembly.

3. In connection with the preparation of the reports requested by the General Assembly in resolution 51/243 of 15 September 1997 entitled "Gratis personnel provided by Governments and other entities", listed under agenda item 114 (Review of the efficiency of the administrative and financial functioning of the United Nations), he drew attention to the statement made by the Controller prior to the adoption of that resolution that although the Secretariat would do its best to produce the reports requested in the draft resolution, it could not guarantee that all six reports would be ready by the end of the first part of the fifty-second session.

4. Under agenda item 116 entitled "Proposed programme budget for the biennium 1998-1999", he drew attention to a letter dated 18 September 1997 addressed to him by the Chairman of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. A similar letter addressed to the Secretary-General had been circulated as an official document under the symbol A/52/379.

5. Also under agenda item 116, pursuant to General Assembly resolution 35/218 on a comprehensive study of the question of honoraria payable to members of organs and subsidiary organs of the United Nations, a report of the Secretary-General would be issued shortly in accordance with paragraph 2 of that resolution.

6. **Ms. Peña** (Mexico) said that it was always easier to take decisions on the programme of work when there was full information on the availability of documentation. At the meeting on 19 September 1997 a provisional list concerning the status of documentation had been circulated which had not shown the dates of issuance of some documents. It was particularly significant that the Secretariat had indicated that four documents relating to gratis personnel were to be published between 30 October and 1 December 1997, even though no date was shown in document A/C.5/52/L.1.

7. She took note of the clarifications by the Controller and expressed the hope that at least some of the documents would become available. In her capacity as coordinator of the negotiations which had led to the adoption of General Assembly resolution 51/243, she reminded the Secretariat of the great importance which delegations, in order to reach consensus, had attached to receiving documents on the prescribed dates. The announced deadlines must be met; otherwise, it would appear that the Secretariat was ignoring the efforts made by delegations. The situation was unsatisfactory, since it seemed that the trust placed in the Secretariat at the time of negotiating the draft resolution had been betrayed. She suggested that explanations as to the submission of reports should be sought from the relevant persons.

8. She also requested clarification on the second performance report for the biennium 1996-1997, since it was envisaged that the document would be taken up in informal consultations on 10 December 1997, but the estimated date of issuance was 15 December 1997. That item should be taken up before the end of the year since it would be very difficult to adopt decisions on the proposed programme budget for the biennium 1998-1999 if no decision had been taken on the performance of the programme budget for the biennium 1996-1997.

9. **Ms. Buergo** (Cuba), referring to gratis personnel provided by Governments and other entities, an item which, according to the decision already adopted, would be taken up before the end of the year, said that none of the

documents related to the item had an estimated date of issuance. She hoped that clarification would be provided in that respect.

10. With regard to the programme budget for the biennium 1996-1997, she recalled the position of her delegation and others that the item should be included in the programme of work before the consideration of the proposed programme budget for the biennium 1998-1999, particularly in relation to document A/C.5/51/53, which had already been issued. Specifically, she wished to know what the best time would be to take up that item.

11. **Mr. Moktefi** (Algeria) expressed appreciation for the circulation of the letter from the Chairman of the Special Committee on decolonization and expressed particular interest in the proposal to transfer the secretariat of the Special Committee to the new Department of General Assembly Affairs and Conference Services.

12. **Mr. Sial** (Pakistan) said that he endorsed the comments made by the representative of Mexico about the status of documentation regarding gratis personnel. In his view, once the General Assembly had adopted a decision, it must be respected.

13. **Mr. Riva** (Argentina) stressed the importance of ascertaining the political views of the area concerned before making any structural changes. In the case of the restructuring of the Special Committee on decolonization, he thanked the Chairman of that Committee for having provided his opinion, which his delegation fully shared.

14. **The Chairman** said that he shared the hope of delegations that the documentation promised for the consideration of agenda items would be made available. He requested the Controller for a prompt reply in that respect so that he could inform delegations of the situation. In the case of the second performance report, the estimated date of issuance shown in the document was wrong and would be corrected.

15. **Mr. Akakpo Satchivi** (Secretary of the Committee), replying to the representative of Cuba, said that the question of the programme budget performance for the biennium 1996-1997 would be considered on Tuesday, 7 October. The arrangement of informal consultations would depend on the Committee's approach to the Secretariat's report on the question.

16. **Ms. Peña** (Mexico) said that, given the error in the scheduled date of issuance of the performance report on the programme budget for the biennium 1996-1997, she supposed that the programme of work would be revised accordingly, so that the item could be considered at a formal meeting.

17. **The Chairman** indicated that it was his intention to issue a correction that would include the needed revision of the programme of work.

Agenda item 142: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

(a) Financing of the United Nations peacekeeping operations

United Nations Logistics Base, Brindisi (A/51/803 and 905, A/52/380)

Management of peacekeeping assets (A/50/907 and 985, A/51/957)

18. **The Chairman** recalled that the General Assembly in resolution 51/218 E of 17 June 1997 regretted the late submission by the Secretary-General of his report on the financing of the United Nations Logistics Base at Brindisi and decided to undertake a detailed review of the reports of the Secretary-General and the related reports of the Advisory Committee at its fifty-second session, no later than 15 October 1997. The General Assembly authorized the Secretary-General in the interim period, from 1 July to 15 October 1997, to commit funds not exceeding the current level of expenditures for the past three months for the maintenance of the Logistics Base and requested him to finalize, in that context, the proposals on the management of United Nations peacekeeping assets and on the role of the United Nations Logistics Base.

19. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) introduced the Advisory Committee's comments on the reports of the Secretary-General on the financing of the United Nations Logistics Base, Brindisi (A/51/905), and on the management of peacekeeping assets (A/51/957).

20. With respect to the United Nations Logistics Base at Brindisi, the Advisory Committee was of the opinion that the Secretary-General's report did not contain an adequate cost-benefit analysis, and reiterated its original request, as endorsed by the General Assembly, for such an analysis.

21. ACABQ had agreed with, and the General Assembly had approved, the policy for the transfer of assets to the Base, but the Advisory Committee was concerned by situations where the Secretariat had found itself forced to store loaned or donated *matériel* because of restrictions placed on its disposal by the contributing Member State, which simultaneously refused to accept its return. The

Advisory Committee noted that the Secretary-General proposed to avoid repetition of such situations in future by including clauses in the agreement with the contributor by which the latter either must accept return of the equipment at the end of its use by the Organization, or agree to its transfer to whichever third party had actually operated it. The Advisory Committee recommended that in future, in the absence of an agreement to do otherwise, the United Nations should destroy the equipment.

22. The Advisory Committee recalled that the General Assembly had yet to approve the budget for the Base and the staffing table for the period 1 July 1996-30 June 1997. ACABQ stressed the importance of including precise references to expenditure for Brindisi in the respective performance reports of each peacekeeping operation. The next budget for Brindisi should include performance data and information on how expenditure had been funded.

23. The Secretary-General proposed to establish 44 posts, an increase of 11 posts over the previous period. The Advisory Committee recommended that the staffing level should be reviewed in the future in the light of the volume of operations.

24. In view of the offer by the host Government regarding maintenance services and alteration and renovation of premises, the Advisory Committee noted that item 3 of the budget, premises and accommodation, could show some savings. In that connection ACABQ recommended that in future such assistance should be reflected in the proposed budget for the Base.

25. In general the Advisory Committee recommended that the General Assembly should take the actions indicated by the Secretary-General in paragraph 38 of his report. To date, the Base had functioned under an ad hoc financial and administrative arrangement. Once the General Assembly had approved the budget and staffing table, ad hoc measures would cease, which would result in changes in the situation of the staff at the Base and would lead to an increase in expenditures relating to payment of staff entitlements.

26. Since the Base had replaced the previous storage facilities at Pisa, and since part of the operational costs would always exist, even if no missions were in operation, the Secretary-General should consider and propose different sources or modes of financing and look into other self-financing mechanisms besides those already proposed. In addition the Secretary-General should explore the possibility of expanding use of the Base by other United Nations agencies and programmes, such as UNHCR and the World Food Programme, and should include information in that regard in his next report.

27. With regard to the management of peacekeeping assets, the Advisory Committee welcomed the measures taken by the Secretary-General to implement a new field mission logistics system, the first component of which was the field assets control system, and recommended that other departments should be encouraged to explore the possibility of utilizing the system, which had been developed by the Department of Peacekeeping Operations using in-house expertise. The Advisory Committee had no objection to the Secretary-General's request for four additional support account posts, on the understanding that the need for those posts would be met through redeployment.

28. The Advisory Committee concurred in the action to be taken by the General Assembly, indicated in section IX of document A/51/957. It also recommended that the Secretary-General should be requested to indicate, in his next submission on the support account, the impact of the new system on the efficiency and productivity of the various peacekeeping missions.

29. **Mr. Kaltenbach** (Deputy Director, Audit and Management Consulting Division of the Office of Internal Oversight Services) introduced the report on the audit of the United Nations Logistics Base at Brindisi (A/51/803). He said that the report, giving the findings of the May and November 1996 audits, had been submitted to the General Assembly in February 1997. In April 1997, the Office of Internal Oversight Services had undertaken a follow-up audit of the Logistics Base.

30. The Office believed that the concept of a base to store and manage the assets of missions that downsized or closed was viable provided that the Base was managed effectively and efficiently and was furnished with the resources needed to perform its functions.

31. One should not be misled by the inventory values given in the Office's report. Although the report raised the question of the relationship between the estimated stock value and the annual maintenance costs for the Logistics Base, it should be borne in mind that the value of the stock had been augmented in the meantime by shipments from the United Nations peacekeeping forces in the countries of the former Yugoslavia and would further increase with the imminent liquidation of other missions. On the other hand, it also had to be recognized that the recent scaling-down of the United Nations peacekeeping activities and the new leasing arrangements would affect the types and quantities of equipment needed and consequently the role of the Logistics Base.

32. There remained a huge backlog in the technical reviews to establish the serviceability of equipment,

materials and supplies on hand. Unusable items had to be written off and then sold or otherwise disposed of. Once a reasonable valuation was made of the inventory of serviceable items, the Organization would be in a position to assess the cost-effectiveness of the Logistics Base. The Office noted that the revised budget proposal for the Logistics Base included a provision of $4.3 million for a one-time backlog clearance cost.

33. The Office recognized the positive efforts made by the Department of Peacekeeping Operations to implement the recommendations of the auditors, in particular by developing a revised mission statement and organizational structure, delegating the authority for write-off of certain categories of equipment, developing policies for the transfer of used assets to the Logistics Base and their retention, and limiting the start-up kit planning to only two kits.

34. The Office also appreciated the interest the Joint Inspection Unit had taken in the report. The inspectors had raised a number of pertinent questions about the role of the Department of Peacekeeping Operations in directing the operations of the Logistics Base. The report of the Office of Internal Oversight Services itself considered issues requiring action by the Department. Some questions raised by the inspectors merited further study but were outside the scope of the Office's audits, which were restricted to operational and administrative procedures of the Logistics Base and the degree to which the Logistics Base achieved its stated functions. Consequently, the Office would welcome a study by the Joint Inspection Unit of the shipment, storage and disposal of surplus equipment from closing and downsizing missions within the broader framework of the management of peacekeeping operations as a whole.

35. **Ms. Shenwick** (United States of America) said that, although her Government supported the Secretary-General's proposal for the maintenance of the United Nations Logistics Base at Brindisi, it would like some clarifications from the Secretariat and the Chairman of the Advisory Commission in the course of the following week.

36. The impression was given that the Secretary-General's proposal distinguished between Professional, local and General Service staff. She understood the difference between Professional and General Service staff, but as far as she knew the General Service staff were recruited locally and therefore should not be distinguished from local staff. She would like to know why it seemed that three categories of staff were being proposed, and what the respective costs would be.

37. Also, the Chairman of the Advisory Committee should explain why he believed that the reclassification of the Logistics Base would require some of the posts to be transferred but some others to be converted, and that the costs involved would increase. More information was needed in that regard.

38. It was the understanding of the United States that when the United Nations Supply Depot in Pisa was closed down, the majority of its staff were assigned to posts in Brindisi, that this had been considered a change of duty station and that the staff affected had received payment for cessation of service on the grounds that their contracts in Pisa had been rescinded. However, they were then recruited in Brindisi without any interruption in service. Something very similar had occurred in the case of the United Nations Peacekeeping Force in Cyprus, and it should be recalled that the General Assembly had explicitly said that should not happen again.

39. The Advisory Committee indicated that the size of the staffing table for Brindisi should be reviewed. It would be useful if the Chairman of the Advisory Committee explained to the Committee why he thought so and, if he thought it should be reduced, what he was proposing.

40. The Advisory Committee also indicated that an adequate cost-benefit analysis of the Logistics Base had not been done, yet it had no objection to the Secretary-General's estimates; that was inconsistent. Also, the United States believed the Advisory Committee should clarify the mandate on the basis of which the Logistics Base had been established.

41. Her delegation asked the Secretariat to confirm that this would be the only Logistics Base for United Nations activities. It was very important to make it clear that a sole permanent base was being set up.

42. With regard to the support account, the Chairman of the Advisory Committee had explained that ACABQ had endorsed the earlier recommendation of the Secretary-General to establish four new posts, to be filled by redeployment. Although the issue of redeployment had been addressed in connection with the allocation of three posts to the Lessons Learned Unit, the United States did not understand why a few months earlier the Advisory Committee had decided to recommend that 300 posts should be allocated for specific functions yet it was now saying that six of those functions had lower priority. She would also like to know which had lower priority.

43. The Secretariat should indicate in the next few days how the redeployment in connection with the lessons learned posts was proceeding; which posts under the support account as a whole, including the Department of Administration and Management and the Department of Peacekeeping

Operations, had been selected for redeployment to the Lessons Learned Unit; and how it was being proposed to absorb the redeployment if the General Assembly approved it.

44. As to the report of the Joint Inspection Unit on the United Nations Logistics Base at Brindisi (A/52/380), her delegation had questions that did not require an inspector to be sent to New York. It was not sure if the report was criticizing the Office of Internal Oversight Services or the United Nations Logistics Base at Brindisi. What was most surprising, however, was that the report should request the Administration to indicate whether it had complied with the recommendations of the Office of Internal Oversight Services. It seemed logical that the Joint Inspection Unit, which had availed itself of the resources of the Organization, should in drafting its report have been in a position to know whether the Administration had done so or not. Lastly, she hoped that the Joint Inspection Unit would not be submitting other reports that were so confused.

45. **Ms. Daes** (Greece), Vice-Chairman, took the Chair.

46. **The Chairman** said that questions would be answered in due course.

The meeting rose at 4 p.m.